

SENATE BILL 2626

By Crowe

AN ACT to amend Tennessee Code Annotated, Section 67-6-303, relative to exemption from sales tax on motor vehicles for certain members of military forces.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-303, is amended by deleting the section in its entirety and by substituting instead the following:

67-6-303.

(a) For purposes of this section, "stationed in this state" means stationed at a military reservation located wholly in this state, or located partially within the boundary of this state and that of another state.

(b) There is exempt from the tax imposed by this chapter the sale or use of a motor vehicle that is registered in this state, or not registered in this state due to removal from this state subsequent to the purchase, if the vehicle is sold to any of the following members of military forces:

(1) A member of a uniformed service in active military service of the United States, as defined in § 58-1-102;

(2) A member of the Tennessee national guard, or reserve member of a uniformed service of the United States, who is a participant in the active guard and reserve program (AGR); or

(3) A member of the Tennessee national guard, or a reserve member of a uniformed service of the United States, who has been called into active military service of the United States, as defined in § 58-1-102.

(c) The exemption provided in this section applies to any member, as described in subsection (b), who is stationed in this state, another state, or outside the United States.

(d)

(1) In order to qualify for the exemption provided in this section, the member shall establish that the stationing is under orders of the member's branch of service, and, for members stationed in another state or outside the United States, that this state is the member's domicile pursuant to subdivision (d)(3).

(2) The member shall provide to the seller, or to the county clerk or department of revenue when appropriate, a copy of the official military orders related to the stationing of the member and, if applicable, the member's status as a member of the AGR program. The orders shall be retained in the seller's files and a copy shall accompany the application for registration.

(3) For purposes of the exemption provided in this section, domicile may be inferred if the member has registered to vote in this state, has listed this state as the member's home of record or as the member's state for tax purposes on the member's military leave and earnings statement (LES), or has taken other action that clearly indicates the member's intent to permanently reside in this state.

(e) With respect to members stationed in this state, the exemption provided in this section shall apply only when the vehicle is titled and registered in the name of the qualifying individual, either alone or jointly with a spouse or lineal relative.

(f) With respect to members stationed in another state or outside the United States, the member's use of a motor vehicle within this state subsequent to the

member's purchase, but prior to removal from the state, does not constitute a use subject to tax.

SECTION 2. This act shall take effect July 1, 2012, the public welfare requiring it.